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UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEVADA

In re:

BLACK GAMING, LLC

- ☐ Affects this Debtor.
☒ Affects all Debtors.
☐ Affects VIRGIN RIVER CASINO CORPORATION
☐ Affects B & BB, INC.
☐ Affects R. BLACK, INC.
☐ Affects RBG, LLC
☐ Affects CASABLANCA RESORTS, LLC
☐ Affects OASIS INTERVAL OWNERSHIP, LLC
☐ Affects OASIS INTERVAL MANAGEMENT, LLC
☐ Affects OASIS RECREATIONAL PROPERTIES, INC.

Case No.: BK-10-13301-BAM; Chapter 11
Jointly Administered with:

10-13303	Virgin River Casino Corporation
10-13305	B & BB, Inc.
10-13306	R. Black, Inc.
10-13307	RBG, LLC
10-13309	Casablanca Resorts, LLC
10-13310	Oasis Interval Ownership, LLC
10-13311	Oasis Interval Management, LLC
10-13312	Oasis Recreational Properties, Inc.

Date:

Time:

Courtroom #3

APPLICATION FOR ORDER AUTHORIZING THE EMPLOYMENT
OF XROADS SOLUTIONS GROUP, LLC AS FINANCIAL
AND RESTRUCTURING ADVISOR TO DEBTORS

Black Gaming, LLC, a Nevada limited liability company ("Black Gaming"), Virgin River Casino Corporation, a Nevada corporation ("Virgin River"), B & BB, Inc. d/b/a Virgin River Hotel Casino & Bingo, a Nevada corporation ("BBB"), R. Black, Inc., a Nevada corporation ("Black Inc."), RBG, LLC d/b/a CasaBlanca Resort & Casino, a Nevada limited liability company ("RBG"), CasaBlanca Resorts, LLC d/b/a Oasis Hotel, Casino, Spa and Golf, a Nevada limited liability company ("CasaBlanca Resorts"), Oasis Interval Ownership, LLC, a Nevada limited liability company ("Oasis Own"), Oasis Interval Management, LLC, a Nevada limited liability company ("Oasis Management"), and Oasis Recreational Properties, Inc., a Nevada

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1 corporation ("Oasis Rec") and together with all of the foregoing entities, the "Debtors"), debtors
 2 and debtors-in-possession, by and through their proposed counsel, the law firm of Gordon Silver,
 3 hereby submit their application (the "Application") for an order authorizing the retention of
 4 XRoads Solutions Group, LLC ("XRoads") as financial and restructuring advisor to the Debtors.

5 This application (the "Application") is made and based upon the points and authorities
 6 herein, the Omnibus Declaration of Sean P. McKay In Support of Debtors' First Day Motions
 7 (the "Omnibus Declaration"),¹ the Omnibus Declaration of Sean P. McKay In Support of
 8 Debtor's Employment Applications (the "Omnibus Employment Declaration"), and the
 9 Declaration Of Jeffrey R. Truitt In Support Of Application For Order Authorizing The
 10 Employment Of XRoads Solutions Group, LLC As Financial And Restructuring Advisor To
 11 Debtors (the "Truitt Declaration"), the papers and pleadings on file herein, judicial notice of
 12 which is respectfully requested, and any argument of counsel entertained by the Bankruptcy
 13 Court at the time of the hearing of the Application.

14 I. 15 INTRODUCTION

16 1. On February 21, 2010 (the "Petition Date"), the Debtors filed their voluntary
 17 petitions for relief under Chapter 11 of the Bankruptcy Code, thereby commencing the above-
 18 captioned bankruptcy case (the "Bankruptcy Cases").² See Docket No. 1.

19 2. The Debtors continue to operate their businesses and manage their properties as
 20 debtors and debtors-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy
 21 Code. See general docket.

22 3. No request has been made for the appointment of a trustee or examiner, and no
 23 official committees have been appointed in this case. See generally id.

24
 25 ¹ All capitalized terms not otherwise defined herein shall have those meanings ascribed to them in the Omnibus Declaration.

26 ² All references to "Section" herein shall be to the Bankruptcy Code appearing in Title 11 of the United States Code;
 27 all references to a "Bankruptcy Rule" shall refer to the Federal Rules of Bankruptcy Procedure; and all references to
 28 a "Local Rule" shall refer to the Local Rules of Bankruptcy Practice of the United States District Court for the District of Nevada.

II.
JURISDICTION AND VENUE

4. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1134. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A).

5. The statutory basis for the relief sought herein arises from Sections 327, 328(a), 1107, and 1108 of the Bankruptcy Code, and Bankruptcy Rule 2014.

6. Venue of the Debtors' Bankruptcy Cases in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

III.
BACKGROUND

7. As more fully discussed in the Omnibus Declaration,³ the Debtors collectively form a diversified gaming company owning and operating three of the four casino hotels located in Mesquite, Nevada, two championship golf courses, a full-service spa, a bowling center, a gun club, both gourmet and casual restaurants, and banquet and conference facilities. The Debtors' generate revenues primarily from three sources: (i) gaming activities, which include revenues from slot machines, table games, live keno, race and sports book wagering, and bingo; (ii) hotel room occupancy; and (iii) food and beverage sales. As of the Petition Date, the Casinos consisted of an aggregate of approximately 2,100 hotel rooms, 97 timeshare units located at the Oasis Casino and CasaBlanca Casino, 1,579 slot machines, and 40 table games. See Omnibus Declaration ¶¶ 7-51.

IV.
RELIEF REQUESTED

8. On or about November 3, 2008, the Debtors and XRoads entered into a letter agreement (the "Initial Engagement Agreement"), a true and correct copy of which is attached to the Truitt Declaration as Exhibit 1.

9. On or about February 12, 2010, the Debtors and XRoads entered into a revised

³ The factual background and events leading up to the filing of these Bankruptcy Cases are set forth at length in the Omnibus Declaration filed contemporaneously herewith. For brevity, the facts set forth in the Omnibus Declaration have not been repeated herein; rather, such facts are incorporated herein in their entirety by this reference.

1 letter agreement (the "Amended Engagement Agreement"), a true and correct copy of which is
 2 attached to the Truitt Declaration as Exhibit 2.

3 10. It is necessary for the Debtors to employ financial and restructuring advisors. The
 4 Debtors desire to employ XRoads as their financial and restructuring advisor in connection with
 5 these Bankruptcy Cases. XRoads' employment will be pursuant to the terms and conditions set
 6 forth in the Amended Engagement Agreement, with compensation being paid from the Debtors'
 7 estates in such amounts as the Court may hereafter allow. See Omnibus Declaration ¶ 6.

8 **V.**
 9 **SCOPE OF SERVICES**

10 11. The Debtors anticipate that XRoads will provide financial and restructuring
 11 advisory services ("Restructuring Services") in these Bankruptcy Cases, which may include, but
 12 are not limited to:

- 13 a. Reviewing and analyzing the business, operations, liquidity situation, assets
 14 and liabilities, financial condition and prospects of the Debtors;
- 15 b. Assisting the Debtors with the development of multi-year financial projections
 16 under various operating scenarios;
- 17 c. Analyzing the Debtors' debt service capacity and long-term financing needs;
- 18 d. Performing valuation analyses under various assumptions (e.g. going-concern,
 19 liquidation etc.) with respect to some and/or all of the Debtors' operations /
 20 assets;
- 21 e. Participating in negotiations with various parties, including the lender under
 22 the Debtors' revolving credit facility due in 2012 (the "Credit Facility"), the
 23 holders of the 9.0% Senior Secured Notes due January 15, 2012 ("Senior
 24 Secured Notes"), the holders of the 12.75% Senior Subordinated Notes due in
 25 2013 (the "Senior Subordinated Notes"), any official committee which may be
 26 appointed upon the commencement of the Debtors' Bankruptcy Cases (as
 27 defined below) and/or the respective advisors for such parties;
- 28 f. Participating in and advising with respect to negotiations concerning the use
 of cash collateral and performing various analyses in connection therewith
 and, if necessary, identifying potential lenders to provide debtor-in-possession
 ("DIP") financing to the Debtors, assisting management with negotiating the
 terms thereof and performing various analyses in connection therewith;
- g. Facilitating due diligence when and if performed by any official committee(s)
 appointed in the Debtors' Bankruptcy Cases (as defined below), the Debtors'

lenders and bondholders, and/or potential third-party investors and interfacing with such parties and their advisors;

- h. Advising and assisting the Debtors with respect to: i) planning for, and performing various functions related to, the commencement of the Bankruptcy Cases; ii) the preparation of a plan of reorganization that is consistent with, and incorporates the terms and conditions of, the Lockup ("Consensual Plan") (or any other plan(s) of reorganization of which the Debtors may become a proponent) and the related disclosure statement(s) (including the exhibits thereto); and iii) confirming and effectuating the Consensual Plan (or any such other plan(s) of reorganization as to which the Debtors may become a proponent in the event that the Consensual Plan is not confirmed and substantially consummated);
- i. Participating in hearings before the Bankruptcy Court and the applicable gaming authorities and providing relevant testimony (with respect to matters that fall within the scope of services as set forth herein) that is related to the Consensual Plan or any other plan(s) of reorganization of which the Debtors may become a proponent (in the event that the Consensual Plan is not confirmed and substantially consummated);
- j. Providing assistance and advice with respect to sourcing, negotiating and documenting an "exit" credit facility in connection with the Consensual Plan or any other plan(s) of reorganization of which the Debtors may become a proponent (in the event that the Consensual Plan is not confirmed and substantially consummated);
- k. Assisting with the implementation of applicable financial reporting procedures arising from the commencement of the Bankruptcy Cases;
- l. Providing such other restructuring services as the Debtors and XRoads shall mutually agree; and,
- m. Notwithstanding anything to the contrary elsewhere in the Amended Engagement Agreement, providing analyses, expert reports and/or other materials (all of the foregoing with respect to matters that fall within scope of services as set forth herein) to the Bankruptcy Court or the Debtors as may be required to confirm the Consensual Plan or any other plan(s) of reorganization of which the Debtors may become a proponent (in the event that the Consensual Plan is not confirmed and substantially consummated) and/or to get Bankruptcy Court approval of any disclosure statement related thereto.

12. XRoads will also provide certain bankruptcy compliance and reporting services which may include, but not necessarily be limited to, the following (collectively, the "Bankruptcy Compliance Services"):

1 a. **Initial Reporting Package.** Assisting the Debtors, their counsel and other
2 advisors (if any) as may be retained by the Debtors in the preparation of the initial
reporting package for the UST;

3 b. **Schedules & Statement of Financial Affairs.** Assisting the Debtors, their
4 counsel and other advisors (if any) as may be retained by the Debtors in the
5 preparation of Schedules of Assets and Liabilities and the Statement of Financial
Affairs;

6 c. **Monthly Operating Reports.** Assisting the Debtors, their counsel and other
7 advisors (if any) as may be retained by the Debtors in the preparation of Monthly
Operating Reports ("MORs");

8 d. **Claims Analysis.** Providing support to the Debtors, their counsel and other
9 advisors (if any) as may be retained by the Debtors, in connection with the
10 preparation of claims objections, including generating the necessary exhibits and
reports; and

11 e. **Support Assistance.** Interfacing with management, outside counsel and other
12 advisors (if any) as may be retained by the Debtors and providing such assistance
13 (with respect to bankruptcy compliance administration issues) as may be
requested from time to time.

14 See Truitt Declaration ¶¶ 6 and 7.

15 12. The scope of XRoads' services may be modified from time to time, provided that
16 XRoads and the Debtors mutually agree in writing to any such modification and any
17 corresponding change in the fee structure. See id. ¶ 8.

18 13. Subject to this Court's approval of the Application, XRoads is willing to serve as
19 the Debtors' financial and restructuring advisor and to perform the Restructuring Services and
20 Bankruptcy Compliance Services described above. XRoads will use reasonable efforts to
21 coordinate with the Debtors' other retained professionals to avoid unnecessary duplication of
22 services. See id. 9.

23 VI. 24 QUALIFICATIONS

25 14. The Debtors have selected XRoads because XRoads is familiar with bankruptcy
26 practice and gaming industry issues and regulations and is well qualified to act as financial and
27 restructuring advisor to the Debtors. See Omnibus Employment Declaration ¶ 7.

28 15. XRoads is a national consulting firm that specializes in, among other things,

1 corporate restructurings, operations improvement, mergers and acquisitions involving distressed
 2 companies, valuation analysis and case management services in Bankruptcy Cases. XRoads has
 3 advised numerous debtors, unsecured creditor committees and other parties in bankruptcy
 4 proceedings over the past 10 years. XRoads has the experience and gaming industry expertise to
 5 assist the Debtors' with the issues presented in these Bankruptcy Cases. See Truitt Declaration
 6 10.

7 16. XRoads possesses extensive knowledge and expertise in the areas of bankruptcy
 8 and financial matters relevant to these Bankruptcy Cases, and XRoads is well-qualified to advise
 9 the Debtors on such bankruptcy and financial matters. In selecting their financial and
 10 restructuring advisor, the Debtors sought an advisor with experience in representing debtors in
 11 complex cases and experience with the gaming industry. XRoads has such experience, having
 12 worked for a number of debtors in significant reorganizations under Chapter 11 of the
 13 Bankruptcy Code. Furthermore, the senior XRoads professionals advising the Debtors in these
 14 Bankruptcy Cases have previously served as financial and restructuring advisors in several
 15 matters involving gaming companies operating in one or more jurisdictions within the United
 16 States. See id. ¶ 10.

17 VII. 18 DISINTERESTEDNESS

19 17. Based upon the disclosures in the Amended Engagement Agreement and the
 20 Truitt Declaration, XRoads and its professionals do not hold or represent any interest adverse to
 21 the Debtors' estates nor have a connection to the Debtors, their creditors, or their related parties,
 22 and as such, XRoads and its professionals are disinterested within the meaning of Section
 23 101(14) of the Bankruptcy Code. See Truitt Declaration ¶¶ 17 and 18.

24 18. Based upon the Truitt Declaration, XRoads does not have any connection with the
 25 United States Trustee or any persons employed in the office of the United States Trustee. See id.
 26 ¶ 19.

27 19. Finally, based upon the Truitt Declaration, XRoads does not hold or represent any
 28 interest that would impair XRoads' ability to objectively perform the services contemplated

herein. See id. ¶ 20.

VIII. COMPENSATION

20. XRoads has agreed to provide its Restructuring Services and Bankruptcy Compliance Services on an hourly basis and according to the terms in the Amended Engagement Agreement. XRoads will also seek reimbursement for necessary expenses incurred, which shall include travel, lodging, photocopying, delivery service, postage, telephone, vendor charges and other out-of-pocket expenses incurred in providing professional services. See id. ¶¶ 11-13.

21. Within the one year period immediately preceding Debtors' Petition Date, the Debtors paid XRoads the sum of \$1,241,953 (excluding any portion of the Advance (as defined below) that will be applied against pre-petition fees and expenses as described below) for advisory services rendered and expenses incurred in connection with its restructuring. See id. ¶ 14.

22. As stated in the Amended Engagement Agreement, the Debtors have tendered amounts totaling \$200,000 as an advance (the "Advance") to XRoads. XRoads' estimates that approximately \$40,000 of the Advance will be applied against fees and expenses incurred during the period immediately preceding the commencement of the Bankruptcy Cases resulting in a "net" Advance balance of approximately \$160,000 as of the Petition Date. See id. ¶ 15.

23. The Debtors request authority to compensate and reimburse XRoads in accordance with the payment terms set forth in the Amended Engagement Agreement for all services rendered and expenses incurred in connection with the Debtors' Bankruptcy Cases, and all subject to application to, and approval by, this Court pursuant to Section 328(a), or alternatively, pursuant to Sections 327, 330, and 331 of the Bankruptcy Code.

IX. CONCLUSION

WHEREFORE, the Debtors respectfully request entry of the Order attached hereto as Exhibit 1, thereby, authorizing the Debtors to employ XRoads as their financial and restructuring advisor to perform the Restructuring Services and Bankruptcy Compliance Services described

1 above, with compensation and with reimbursement of expenses to be paid as an administrative
2 expense in such amounts as may be allowed by the Bankruptcy Court, pursuant to the provisions
3 of Section 328(a), or alternatively, Sections 330 and 331 of the Bankruptcy Code. The Debtors
4 further request that such approval be granted *nunc pro tunc* to the Petition Date. The Debtors
5 also request such other and further relief as is just and proper.

6 DATED this 1st day of March, 2010.

7 GORDON SILVER

8
9 By: 

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